

## DEPARTMENT OF STATE

## BRIEFING PAPER

Afghanistan and Pakistan

EXCISE

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The Soviet invasion and continuing occupation of Afghanistan have had a profound effect on regional nations -- particularly Pakistan -- and on our interests in regional security. Previously we saw this area as an important but not vital area somewhat removed from direct super power confrontation. The Soviet thrust has changed this situation. The President's State of the Union address in January signalled a strong US commitment to the security and stability of this region, and we have taken a number of steps to bolster our presence in the area and to reassure countries such as Pakistan of our commitment to their territorial integrity.

Afghanistan: The Soviets are probably in Afghanistan for an extended stay. Their immediate goals are to pacify the countryside and to secure a stable and compliant regime in Kabul. The resistance movement will probably continue tying up some 85,000 or more Soviet troops but the rebels are fragmented, lack effective national leadership, and certainly cannot force a Soviet withdrawal.

We and our allies have limited our contacts with the Afghan regime and have avoided actions which imply recognition. We still maintain a seventeen person embassy in Kabul under a charge

Our Embassy's activities, however, are severely circumscribed by security conditions and Afghan Government restrictions.

With strong Soviet support, the Government controls Kabul, but not the countryside.

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There are three main issues which are likely to come up in the near future concerning Afghanistan.

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(3) Finally there is the question of how to deal with various proposals concerning neutrality for Afghanistan. In an effort to encourage a political solution to the crisis, the EC-9 have floated the idea of guaranteed neutrality for Afghanistan conditioned on a complete Soviet withdrawal. Moscow and Kabul are urging regional talks which would involve international recognition of the Soviet fait accompli. These proposals will probably be discussed at the upcoming NATO meeting and at the Islamic Foreign Minister's Conference in Islamabad in mid-May.

Pakistan: Among all the countries in the region, Pakistan was the most directly affected by the Soviet invasion. In mid-December the Zia Government was facing mounting opposition, but the invasion seemed to give the regime a new lease on life and defused opposition from within the military and from the conservative right. In January and February there was a sense of crisis in Pakistan and fear that the Soviets would engage in hot pursuit raids across the border and mount subversive activities in the disaffected Pakistani province of Baluchistan. That sense of crisis has subsided. To many Pakistanis the Soviet occupation now seems a fact of life and the feared hot pursuit raids have not taken place.

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Despite a profoundly changed geopolitical situation, the internal problems which have long plagued this demoralized country persist.

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Martial law is likely to continue indefinitely, though Pakistan is chronically unstable and predicting events risky.

US-Pak relations over the last several years have suffered from sharp ups and downs which have eroded confidence on both sides. Prior to the Soviet invasion, our bilateral relations had sharply deteriorated due to Pakistan's efforts to develop a nuclear explosive capability and our resulting aid cutoff (in April, 1979) in compliance with the Symington Amendment. The nadir was reached with the sacking of our Embassy on November 21. Following the Soviet invasion, we pledged publicly that we would assist Pakistan during this critical moment and we strongly urged our allies and the Saudis to increase their assistance very substantially. We prepared legislation for Congress which would have overridden the Symington Amendment, put the Congress on record as reaffirming our 1959 security agreement with Pakistan, and provided \$400 million worth of economic aid and military sales credits spread over two fiscal years. Dr. Brzezinski and Warren Christopher carried this proposal to Islamabad in early February.

Pakistan's reaction to the Afghan crisis and our aid proposal reflects the shift in their international position in recent years. Once heavily dependent on the US for its security, Pakistan has gradually cultivated a network of other ties, including important links with China and Islamic countries. At Havana, Pakistan "pledged" the non-aligned fraternity. The US/Iranian confrontation vastly complicates our relations since Pakistan has sought close ties with revolutionary Iran, in part to placate domestic Muslim sentiment.

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Furthermore, over the years Pakistanis have felt that we were long on promises, but short on performance. They felt betrayed when we refused to provide military support during their 1965 and 1971 wars with India and are cynical about the value of the 1959 agreement. In their eyes our \$400 million aid offer reflected a gross disparity between our rhetoric and their needs.

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President Zia had publicly described our aid offer as "peanuts" and the injudicious comparison was privately made with our Egyptian and Israeli programs. They felt particularly strongly that the \$200 million military credit component was insufficient for their needs and it would only make them a Soviet target and complicate their relations with the Indians and the nonaligned world.

However the Pakistanis have since made it clear that they value the US link and hope for generous US economic aid and, most importantly, debt rescheduling.

Pakistan's rejection of our aid "package" roughly coincided with our budget-cutting exercise, and as a result no funds have been requested for economic assistance in FY 80 or 81. Their long-standing request for debt rescheduling presents us with a dilemma: if we adhere to our normal policy on debt rescheduling, we will lose the only opportunity for providing Pakistan with any economic support before FY 82; if we make a limited exception to our normal insistence on rescheduling only in cases of near-default, we will face Congressional problems, a possible stampede of other rescheduling requests, and the problem of dealing with the resulting increase in net budgetary expenditures. The President recently approved PRC recommendation instructing the agencies concerned to work Pakistan into aid plans for FY 82. The PRC postponed consideration of a request for the President to rule on the debt issue until after the passage of the first FY 81 budget resolution. We have not yet advised the Government of Pakistan of our inability to provide aid in FY 81, but will have to make clear our position on both aid and the debt issue when the Aid-to-Pakistan Consortium meets June 12.

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On the military side we are trying to keep a relationship going although this will be difficult as long as our confrontation with Iran continues. We have offered Pakistan assistance in building up its indigenous defense production and plan to continue selling military equipment on a cash basis.

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In general all the old pre-Soviet: invasion: problems have come back to: report: along: with a few new ones. The nuclear issue in particular continues to trouble our relationship.

A Pakistani explosion would seriously affect what little remains in our relationship, in addition to seriously destabilizing the region. Moreover a Pakistani nuclear explosion would be a serious blow to our global non proliferation policies by stimulating India to resume its explosives program while demonstrating to other potential proliferators our impotence in halting nuclear weapons development abroad.

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Finally it should be noted there is one bright spot in US-Pak relations -- narcotics. Last year Pakistan was the world's largest source country for illicit opium. This year, thanks in part to firm actions at the national and provincial level, opium cultivation is down by more than 50%. This may, however, be a temporary phenomenon. We are developing a number of programs with the GOR for controlling narcotics cultivation and trafficking and will continue to put a high priority on this aspect of our relationship.

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